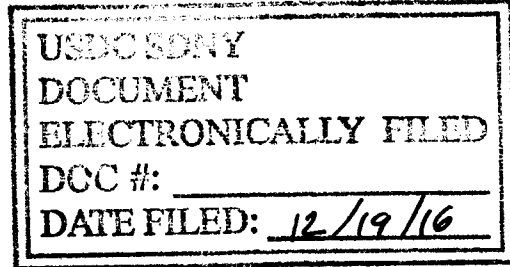


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



-----X
CARLOS LEON-MARTINEZ, Himself :
and on behalf of all others :
similarly situated, et al. :

Plaintiffs,

-against-

CENTRAL CAFÉ & DELI, Jointly :
and severally, et al., :

Defendants. :
: :
-----X

15 Civ. 7942 (HBP)

OPINION AND
ORDER OF DISMISSAL

PITMAN, United States Magistrate Judge:

I have conducted a preliminary review of the proposed settlement agreement in this matter and two issues require a further submission from the parties.

First, given the relatively modest size of the settlement fund in comparison to the plaintiffs' claims, I shall need some specifics concerning the defendants' assets, such as a statement of assets and liabilities and whether defendants have any current sources of income. A defendant's financial condition may justify the deep discounting of a claim, but facts are required to justify the discount.

Second, the release language is overly broad. Paragraph 2 appears to provide that the settlement resolves all

claims or potential claims plaintiffs may have against the defendants. This language effectively makes the settlement agreement a general release. In addition, it is unclear what claims are released by Paragraph 7. Among other things, Paragraph 7 purports to release "all claims referred to of identified in various correspondence to an between he parties leading up to [the Settlement Agreement]." What this cross reference reaches is undefined. Numerous judges in this Circuit have condemned the insertion of general or broad releases into FLSA settlement agreements. Johnson v. Equity Leasing Fin. II, Inc., 16 Civ. 1454 (WHP), 2016 WL 6493157 at *1 (S.D.N.Y. Oct. 4, 2016) (Pauley, D.J.); Lopez v. 41-06 Bell Blvd. Bakery LLC, No. 15-CV-6953 (SJ) (PK), 2016 WL 6156199 at *2 (E.D.N.Y. Oct. 3, 2016), report and recommendation adopted, No. 15 CV 6953 (SJ) (PK), 2016 WL 6208481 (E.D.N.Y. Oct. 21, 2016); Chamoro v. 293 3rd Café, Inc., 16 Civ. 339 (PAE), 2016 WL 5719799 at *2 (S.D.N.Y. Sept. 30, 2016) (Engelmayer, D.J.); Batres v. Valente Landscaping Inc., 14-CV-1434 (SIL), 2016 WL 4991595 at *3 (E.D.N.Y. Sept. 15, 2016); Velazquez v. P.J.C.M. Rest. Corp., 15 Civ. 3602 (WHP), 2016 WL 4987156 at *2 (S.D.N.Y. Sept. 15, 2016) (Pauley, D.J.); Weng v. T&W Rest., Inc., 15 Civ. 8167 (PAE) (BCM), 2016 WL 3566849 at *1 (S.D.N.Y. June 22, 2016) (Moses, M.J.); Lopez v. Ploy Dee, Inc., 15 Civ. 647 (AJN), 2016 WL 1626631 at *3

(S.D.N.Y. Apr. 21, 2016) (Nathan, D.J.). The settlement should more clearly and narrowly define what is being released.

I shall await the parties' further submission in this matter.

Dated: New York, New York
December 19, 2016

SO ORDERED


HENRY PITMAN
United States Magistrate Judge

Copies transmitted to:

All Counsel